Concessions under the Vani Vilas Sagara.

READ—

Letter No. T. 11, dated the 15th November 1923, from the Revenue Commissioner in Mysore, forwarding for sanction copy of letter dated the 23rd October 1923, from the Deputy Commissioner, Chitaldrug District, requesting the grant of the following concessions in view of the prevailing unfavourable seasonal conditions:—

(1) Supply of water for Thadi cultivation on lands outside the block area under the Vani Vilas Sagara, water rate being recovered at Rs. 2-8-0 per acre, and

(2) Permitting cultivation of Thadi crop in the prohibited area in the Hiriyur Taluk.

ORDER NO. R. 2933-5—L. R. 211-23-2, DATED 27TH DECEMBER 1923.

Government are pleased to sanction as a special case, the concessions recommended by the Deputy Commissioner temporarily for one year subject to the condition that only food crops should be grown on these areas.

K. V. ANANTARAMAN,
Offg. Secretary to Government,
Revenue Department

Removal of Penalty on Income-tax.

READ—

The undermentioned subjects mooted at the Dasara Session of the Representative Assembly, 1923, and the reply of Government thereto—

Subject No. 43.—Removal of penalty for default in payment of the 1st instalment of Income-tax, if the party pays full amount of tax imposed before the expiry of 60 days from date of assessment.

Subject No. 44.—Removal of penalty where the assessee fails to pay in response to demand notice, the amount due being recovered as an arrear of land revenue.

ORDER NO. FL. 3581-90—I. T. 43-23-2, DATED 4TH JANUARY 1924.

The provision contained in Section 46 (1) of the Income-tax Regulation for the recovery of a penalty when the assessee defaults in payment of the tax within the prescribed period cannot be abrogated as requested, as the principles of Income-tax are quite different from those of Land Revenue. Government are, however, pleased to direct that a general instruction be issued to all Income-tax Officers, that, in cases in which the whole amount of tax is paid within 60 days from the date of service of the notice of demand issued under Rule 20A, the recovery of penalty may be waived in the exercise of the discretion vested in them under the abovementioned section.

K. V. ANANTARAMAN,
Offg. Secy. to Govt., Rev. Department.

Review on the Report of the Income-tax Department.

READ—

Letter No. C. 252, dated 2nd October 1923, from the Commissioner of Income-tax in Mysore, submitting a report on the administration of the Income-tax Department during the year 1922-23.

ORDER NO. FL. 3591-600—I. T. 28-23-3, DATED 4TH JANUARY 1924.

Administrative changes.—Mr. K. Chandy was in charge of the Department for about half the period covered by the report and Mr. A. Subrahmanya Iyer for the other half. With a view to afford some relief to the Commissioner of Income-tax in respect of his appellate and inspection work, a Deputy Commissioner of Income-tax was appointed in place of the Special Income-tax Collector for Bangalore and Mysore Cities, with jurisdiction over the whole of the Bangalore and Mysore Taluks including the two cities and with power to inspect all Sub-Division Offices in the State. An officer of the Status of an Assistant Commissioner was also appointed to assess incomes of the last grade in the Bangalore and Mysore Taluks including the two cities and placed in subordination to the Deputy Commissioner.

The limit up to which the Collector of the Kolar Gold Fields was empowered to assess incomes was raised from Rs. 8,000 to Rs. 25,000 and the sphere of his jurisdiction extended to the whole of the Bowringpet Taluk including the Kolar Gold Fields area. The limit of

incomes up to which all Assistant Commissioners and *Ex-officio* Collectors of Income-tax could assess was also raised from Rs. 8,000 to Rs. 9,000 which represents a definite stage of the graduated scale of incomes prescribed for purposes of assessment in the schedule attached to the Income-tax Regulation.

2. *Training of Probationers.*—The scheme of training probationers for audit and accounts work in the Income-tax Department continued to be in operation during the year and a second batch of probationers was selected for such training. In the selection of Probationers for training in future, Government consider it necessary that preference should be given to the men employed in the mofussil offices so that these offices may be manned by a staff of well trained men who thoroughly understand their work.

3. *Financial results.*—The results of the working of the Income-tax Regulation during the year under review are shown below.

		1922-23	*1921-22*
Number of Assessees.	(*a*) Individuals	14,627	4,313
	(*b*) Companies	71	59
	(*c*) Firm		
		Rs. a. p.	Rs. a. p.
Demand	(*a*) Arrears of previous year	4,38,260 7 5	5,19,423 8 9
	(*b*) Current demand ...		
	(1) Individuals ...	4,66,760 10 6	4,82,568 5 9
	(2) Companies	9,24,795 2 0	7,83,477 5 0
	(3) Firms ...	3,028 14 0	
	Total ...	18,32,845 1 11	17,85,469 3 6
Collection		14,05,000 0 0	14,32,000 0 0
	Percentage of collection to demand	76·6	82·2
	Percentage of collection charges to amount of revenue collected	3·41	3·67
	Proportion of persons assessed to total population	1 in 1,272	1 in 1,338

It is reported that the fall in collections, as compared with the demand for the year, are mainly due to late assessment during the year under report and the slackness of collection work in the offices of the Deputy Commissioner of Income-tax for the cities and taluks of Bangalore and Mysore and of the Deputy Commissioners of Kolar, Shimoga, Hassan and Chitaldrug Districts. The explanation of the officers concerned should be obtained for the slackness and submitted for the information of Government. The Income-tax Commissioner should impress on all officers the need for completing the assessment work of each year as early as practicable after the commencement of the year so as to assure the realisation of the demand before the close of the year.

4. *Appeals, etc.*—The number of objection petitions received by the Commissioner and the Deputy Commissioners of Districts during the year was 1,074. Including 168 pending petitions of the previous year, the otal number for disposal during the year was 1,242, of which 1,029 were disposed of leaving 213 pending at the end of the year. It is observed that the number pending with the Deputy Commissioner of Income-tax for Bangalore and Mysore, and the Deputy Commissioners of the Districts of Mysore, Shimoga and Chitaldrug was large. These should be disposed of without delay.

5. *Inspections.*—All the Deputy Commissioners' Offices and also 11 Sub-Division Offices were inspected by the Commissioner during the year. The Deputy Commissioners of Mysore, Hassan and Chitaldrug do not appear to have inspected any of the subordinate Income-tax offices in their districts during the year. This is unsatisfactory. The Government desire to impress on all Deputy Commissioners the necessity for a thorough and systematic inspection of the Sub-Division Offices in their districts at least once a year, with a view to satisfy themselves that the rules are properly understood and observed and that while every person liable to be taxed is subjected to taxation, no undue hardship or inconvenience is caused to the assessees in administering the Income-tax Regulation.

K. V. ANANTARAMAN,
Secretary to Government,
Revenue Department.